

Message Text

CONFIDENTIAL

PAGE 01 BONN 14188 011920Z

72

ACTION EUR-25

INFO OCT-01 ISO-00 L-03 IO-15 CAB-09 CIAE-00 COME-00

DODE-00 EB-11 INR-10 NSAE-00 RSC-01 FAA-00 DRC-01

/076 W

----- 113750

R 011850Z OCT 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7748

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION BERLIN

USMISSION NATO BRUSSELS

C O N F I D E N T I A L BONN 14188

E. O. 11652: GDS

TAGS: ETRN, GW, WB, UK

SUBJECT: BEA'S BERLIN SERVICES; COMMENTS OF MINISTER HIBBERT,
UK EMBASSY

REF: STATE 190571 AND PREVIOUS

1. SUMMARY: MINISTER HIBBERT OF THE UK EMBASSY EXPRESSED HIS CONCERN TO THE CHARGE LAST WEEK OVER PRESSURES FROM THE BRITISH AIRWAYS BOARD FOR BEA TO WITHDRAW FROM THE MONEY-LOSING FRG/BERLIN SERVICES (IGS). ALTHOUGH THE POLITICAL IMPORTANCE OF THE IGS IS RECOGNIZED BY THE FCO, HIBBERT BELIEVES THAT IF THE US SHOULD SHOW AN INDIFFERENT OR UNCOOPERATIVE ATTITUDE TOWARD BEA'S FINANCIAL PROBLEMS, COMMERICAL CONSIDERATIONS WOULD PREVAIL AND BEA WOULD, IN FACT, LEAVE THE IGS. END SUMMARY.

2. MINISTER HIBBERT, DCM OF THE UK EMBASSY WHO WILL BE PARTICIPATING IN THE OCTOBER 9 TALKS IN WASHINGTON, CALLED ON CHARGE SEPTEMBER 28 TO EXPRESS HIS AND THE UK EMBASSY'S THINKING WITH RESPECT TO THE POSSIBILITY OF THE WITHDRAWAL OF BEA FROM THE IGS. BRITISH AIRWAYS,
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 14188 011920Z

HE STRESSED, INCLUDING BEA, WERE UNDER INSTRUCTIONS TO

ELIMINATE ALL ROUTES AND SERVICES WHICH DID NOT AT LEAST BREAK EVEN. THIS POLICY DECISION HAD BEEN TAKEN AT HIGH LEVELS, AND WITHOUT RELATIONSHIP TO THE BERLIN SITUATION, BUT BEA'S IGS OPERATIONS HAD BEEN AMONG THOSE SELECTED TO BE CUT. HIBBERT NOTED THAT AFTER THE 1972 INCREASE IN BERLIN FARES, IT APPEARED THAT BEA WOULD AT LEAST BREAK EVEN, BUT RISING COSTS AND THE SHIFT OF BERLIN PASSENGER TRAFFIC TO SURFACE TRANSPORTATION FOLLOWING THE CONCLUSION OF THE FRG/GDR TRAFFIC AGREEMENTS HAD CHANGED THE SITUATION. BEA WAS NOW SHOWING A LOSS.

3. THE UK EMBASSY HERE DOES NOT DOUBT THAT THE POLITICAL ASPECTS OF THE IGS ARE APPRECIATED IN THE FCO AND ELSEWHERE IN THE UK GOVERNMENT, ACCORDING TO HIBBERT, AND THE BROAD RESPONSIBILITIES OF THE WESTERN ALLIES TOWARD BERLIN AIR TRANSPORT ARE RECOGNIZED. NEVERTHELESS, HIBBERT AND THE UK EMBASSY ARE CONVINCED THAT IF SOME WAY IS NOT FOUND TO MAKE BEA'S SERVICES BREAK EVEN, THE DECISION IN LONDON WILL BE TO WITHDRAW BEA FROM THE IGS.

4. THE MAIN TRUST OF HIBBERT'S REMARKS WAS THAT THE US AT THE WASHINGTON MEETING SHOULD NOT SHOW LACK OF INTEREST IN WHETHER OR NOT BEA LEFT THE IGS, AND SHOULD BE REASONABLY FORTHCOMING IN TRYING TO MAKE ADJUSTMENTS IN THE IGS WHICH WOULD ENABLE BEA TO BREAK EVEN OR SHOW A SMALL PROFIT. THERE WAS NO DOUBT IN HIS MIND THAT A US NEGATIVE POSITION WOULD BE SEIZED UPON BY THE BRITISH AIRWAYS BOARD AND IT WOULD BECOME NEXT TO IMPOSSIBLE TO RESIST PRESSURE FOR BEA WITHDRAWAL. APPARENTLY, HIBBERT SAID, IT WAS A COMMON VIEW IN LONDON THAT, IF THE FRENCH COULD WITHDRAW BECAUSE THE IGS WAS UNPROFITABLE, WHY COULDN'T THE BRITISH? (HIBBERT APPARENTLY FEARS THAT THE INSTRUCTIONS TO BE GIVEN TO THE UK REPS AT THE OCTOBER 0 MEETING WILL BE HEAVILY WEIGHTED TOWARD BEA COMMERCIAL CONSIDERATIONS.)

5. HIBBERT'S PERSONAL VIEW IS THAT HMG HAS POLITICAL RESPONSIBILITIES WITH RESPECT TO BERLIN AND THE IGS WHICH SHOULD BE RECOGNIZED AND THAT WITHDRAWAL OF BEA

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 14188 011920Z

FROM REGULAR BERLIN SERVICES WOULD REPRESENT A WEAKENING OF THE ALLIED POSTURE IN BERLIN. HE EXPRESSED THE HOPE THAT SOME ARRANGEMENT CAN BE WORKED OUT, INVOLVING PERHAPS ADJUSTMENTS OF SCHEDULES, FARES AND SUBSIDIES TO ENABLE BEA TO CONTINUE. HE APPRECIATED, HOWEVER, THE FACT THAT THE US WOULD FIND IT IMPOSSIBLE TO AGREE TO A SOLUTION UNDER WHICH THE MAJOR COST WOULD BE BORNE BY PAN AM. WITH RESPECT TO THE POSSIBILITY OF INCREAS-

ING FRG SUBSIDIES, HIBBERT OBSERVED THAT AT
SOME STAGE OF THE GAME A GREATER ROLE IN BERLIN AVIATION
FOR LUFTHANSA IS ANTICIPATED. POSSIBILITIES SHOULD BE
EXPLORED, HE THOUGHT, WHEREBY THE GERMANS AND LUFTHANSA
COULD BECOME MORE INVOLVED, PERHAPS FINANCIALLY,
IN MAINTAINING THE IGS AT ITS CURRENT LEVEL AND MODE
OF OPERATION.
HILLENBRAND

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 01 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BONN14188
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS HILLENBRAND
Errors: N/A
Film Number: n/a
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731060/aaaabsic.tel
Line Count: 123
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 190571 AND PREVIOUS
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 31 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31-Jul-2001 by kellerpr>; APPROVED <18-Sep-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BEA'S BERLIN SERVICES; COMMENTS OF MINISTER HIBBERT, UK EMBASSY
TAGS: ETRN, GE, WB, UK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005